



#### CURRENT STATE

- In 2021 demand grew 7% year-on-year, partly due to the downfall in early 2020, and at the same time capacity effectively was reduced by 11%.
- In North America, the slight improvement in congestion after Golden Week was fully reversed by the end of 2021, and a new record was set on December 30<sup>th</sup>, albeit with a slight improvement again on January 6<sup>th</sup>, driven by improvements in Savannah and Charleston.
- In Europe port congestion has been steadily getting worse since the start of October 2021, with no signs of any improvement, or even leveling out.
- The Port of Singapore has remained the world's busiest transshipment port in 2021, while it registered a record high in container traffic of 37.5 million TEU. Singapore has also reportedly been ranked the top Leading Maritime City of the World for a fifth consecutive time and second busiest container port.
- In Ningbo, all restrictions have been lifted on gate-in, gate-out operations at the three container terminals in Ningbo's Beilun district. Warehousing and trucking operations in Ningbo are returning to normal following a fall in the number of new COVID-19 cases and an extensive testing campaign by Chinese health officials among port workers and truckers.
- Tianjin could be the next major cargo gateway facing logistics and port restrictions after 21 COVID cases were reported last week, according to Chinese health officials.
- Data from the Ports of Los Angeles and Long Beach as of January 7<sup>th</sup> have shown that 103 vessels, expected to deliver approximately 147,000 TEU at these two ports, were either waiting in a zone of 74 km or loitering, drifting, or slow steaming heading to the ports. With the two major Californian ports handling roughly 40% of US imports, delays in Los Angeles and Long Beach impact significantly the national economic growth. The containers destined for discharge at these two ports were said to carry cargo valued at around US\$5.9 billion.
- As of November 2021, the Port of Los Angeles processed almost 10 million TEU's in 11 months, an increase of 18.7% compared to the same period of 2020. Empty containers demand Trans-Pacific transit back to Asia increased 10.6%.
- The Port of Los Angeles cargo operations update showed 15,209 import containers dwelling nine days or more.
- Between January and November 2021, an estimated worth of cargo of US\$238 billion experienced significant delays outside these ports. With an average cargo value of USD40,000 per TEU, against a 3.2% cost of financing, shippers paid around USD106 per TEU per month, according to data from Project44 and the British investment banking company, HSBC.
- Chassis issues are challenging in all regions in the U.S. This is due to the division of the intermodal system, the severity of the COVID-19 pandemic, and the lack of additional capacity at different levels of the supply chain.

#### MARKET FORECAST

- Container line's strong position in negotiation for long term rates and shipper's desire to secure capacity will lead to higher long term rates. This means the average cost of shipping in 2022 will be higher than ever before.
- Spot rates on the Far East to North Europe and Far East to Mediterranean routes both set record highs, while backhaul rates from North Europe to the Far East eased 5% over last month.
- Softening transpacific rates for both spot and long-term contracts over recent months have not offset increases over the past year, and rates remain well above pre-pandemic levels.
- Overall, 11.5% of the global capacity has been taken out of the market due to vessel delays in November 2021, a slight improvement from 12.3% in October 2021. It seems that there is no sign of imminent improvement, while the normal situation in the market is that 2% of global capacity is 'trapped' in delays somewhere in the world.
- The harbor commission for the Port of Los Angeles voted to extend the dwell fee program until April 29, while also amending the fee so that import rail containers are given the same 9-day cutoff as truck-bound containers. Port of Long Beach announced they now plan to delay consideration of the fee until January 21. The program was originally planned to last 90 days from its scheduled start of November 1, with an initial 15-day grace period. But the program gave the executive directors from the ports ultimate authority to decide whether or not to trigger the fee.
- Expectations that the vessel backlog at the Port of Oakland will increase in January have prompted maritime interests to implement a new queuing system designed to reduce the effects of harmful emissions from vessels bunched up outside the port.
- USA retailers have revised downward their projections for monthly import growth in the first two months of the year as ports and carriers continue to struggle with supply chain bottlenecks, but still forecast near-record volumes into the spring. The National Retail Federation (NRF), in its January Global Port Tracker (GPT) released in January, cautioned that projecting import volumes for the first half of 2022 could be problematic depending on the movement of the Omicron variant of COVID-19. Retailers said if US consumers cut back on spending for services in favor of online shopping, as they did in the early days of the pandemic, it could result in increased imports from Asia. International supply chain bottlenecks from Asian load ports to the US receiving ports, to rail, trucking, and warehouse limitations will likely remain a serious problem for at least the first half of the year.
- The biggest waiting times for container vessels to discharge or pick up cargoes were on the U.S. West Coast where the waiting time at Long Beach port in Los Angeles currently is between 38 and 45 days according to Maersk. There has been some recent easing in Northern Europe where the Port of Antwerp in Belgium was expected to reduce the wait to around two days this week from 10 days the week before.
- A project to expand parts of the Suez Canal is expected to be completed after two years of work in July 2023. This will improve ship navigation by 28% in this difficult part of the canal.
- MSC became the world's largest container carrier in terms of operated vessel capacity. On the day that MSC moved into the number one spot, its liner fleet counted 645 ships with an overall slot capacity of 4.28 MTEU, just 1,888 TEU ahead of the now second-placed Maersk Group, and ahead of the top-five pack that also includes CMA CGM (3.17 MTEU), COSCO (2.93 MTEU) and Hapag-Lloyd (1.75 MTEU).

Sources: gCaptain, JOC, Container-news, Alphaliner, 44, Seatrade Maritime News, Sea-Intelligence

**RED**  
Demand exceeded capacity available.  
Rates increased.

**YELLOW**  
Demand higher and or capacity is limited.  
Rates increasing.

**GREEN**  
Both demand & capacity are at normal levels.

## DEMAND & CAPACITY

WEEK#	N. AMERICA	LATAM	EMEA/ME	INDIA SUB	N. ASIA	S. ASIA
N. AMERICA		●	●	●	●	●
LATAM	●	●	●	●	●	●
EMEA/ME	●	●	●	●	●	●
INDIA SUB	●	●	●	●	●	●
N. ASIA	●	●	●	●		●
S. ASIA	●	●	●	●	●	

## IMPACTED EXPORT MARKETS

ORIGIN REGION	DESTINATION REGION	STATUS	SPECIFICS
NORTH AMERICA	ALL	●	Most terminals are congested. All booking requests need to be submitted at least 4 weeks in advance. Bookings are being rolled or canceled due to vessels being overbooked or omitting port calls. Trucking shortages have become the biggest challenge for moving containers. Premium service is offered by a few carriers to a few destinations but does not guarantee fast service.
LATAM	ALL	●	Advanced booking request is required. Most vessels are overbooked to a majority of destinations. Bookings are approximately 6 weeks out. Confirmed bookings are still subject to being rolled or canceled by ocean carriers. All amendment requests that are submitted by shippers are subject to penalty or can be declined by the ocean carrier. The cutoff dates/times are subject to change by the ocean carrier and may lead to additional storage charges.
EMEA/ME	ALL	●	In the UK, ports are facing ongoing congestions. Some vessels omit port calls to make their schedule. Container haulage needs to be booked 10 days in advance. Ireland is seeing delays on feeder vessels arrivals and departures due to port congestion. The Netherlands is noticing delays in CFS operations. Antwerp port is currently dealing with some minor congestions. In Italy, La Spezia is congested. Space is limited especially to USEC ports, Canada, Mexico, and Australia. Truck power is limited as well. All other Italian ports are operating as normal. In Germany, 2-3 days of delay in scheduled sailing is being reported. Space and equipment are limited. Minimum 10 days advanced booking request is required.
INDIA SUB	ALL	●	Carriers are still Omitting port calls to reduce delays. Booking requests to the USA are facing a shortage of space and equipment. Equipment shortages especially remain a challenge in smaller Indian ports and ICDs. Rates are expected to increase in January. Hazardous bookings continue to be restricted.
ASIA	ALL	●	Most ports in Asia are operating as normal. This is subject to change in case of a COVID outbreak. Rates are expected to increase for North America and Europe destinations in January and February. Bookings are more than four weeks out with all ocean carriers and to all destinations. Space is limited especially to USWC ports. Vessel delays are continued. Lunar New Year is on February 1, 2022. Limited sailing options are available in February as of right now. However, this is subject to change due to multiple blank sailings being announced by ocean carriers for the first 2 weeks of February.

## IMPACTED IMPORT MARKETS

DESTINATION REGION	STATUS	SPECIFICS
NORTH AMERICA	●	Due to increased volume and labor shortage, most terminals are experiencing congestion issues, including Los Angeles/Long Beach, Savannah, Charleston, Miami, Houston, Seattle. High cargo volumes continue to enter the U.S., with all North American ports facing berth congestion. There are some restrictions on rail operations. The new dwell charges in USWC ports are postponed further until January 21 and the program is extended till April 29.
ADDITIONAL INFORMATION	●	In LATAM, most ports are congested. Vessel's wait time is +3 days. Bookings from North America and Europe are delayed or canceled due to a shortage of equipment and truck power/driver. In Europe, arrival delays are being reported. Two weeks of advanced notice is required to schedule picking up the containers. There are some delays in customs clearance due to a shortage of staff. In the Middle East, minor port congestions and customs-related delays are being reported in Qatar, UAE, and Saudi Arabia. Saudi Arabia is facing equipment shortages. In India Sub, continuous vessel delays and low schedule reliability are being noticed. In Asia, vessels are waiting between 1 to 3 days for berth. Delays are expected in February due to Chines New Year.